

A Monthly Progress Report on the Michigan Department of Labor & Economic Growth



Labor & Economic Briefing

David C. Hollister, Director

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Here is a summary of headlining accomplishments from the last 30 days:

Creating New Investments & Job Opportunities

Michigan Expansion and Redevelopment Announced: The MEDC announced January 20 that it has provided assistance through the Michigan Economic Growth Authority (MEGA) program to spur the expansion of Sensicore, Inc. in Ann Arbor and the redevelopment of the former Life Savers facility in Holland. The following is a summary of the new developments:

- The expansion of Sensicore, Inc. in Ann Arbor will be facilitated by a Single Business Tax Credit valued at \$1.5 million. Sensicore was spun out of research conducted at the University of Michigan. The company has developed an innovative "lab-on-a-chip" multi-sensor device with several applications including municipal water quality monitoring. It is estimated that Sensicore will invest \$4.7 million in the expansion and create a total of 338 new jobs over the next eight years.

- The former Life Saver's manufacturing facility in Holland will be redeveloped through Michigan's brownfield redevelopment program, administered by the MEDC. The project was approved to capture more than \$1.1 million in state and local taxes to fund demolition and asbestos abatement activities at the site. Fusion Properties plans to reconfigure the 400,000 square-foot facility to accommodate six self-contained spaces intended for lease to industrial or manufacturing-related operations. The project is expected to generate \$3.5 million in private investment and is expected to create hundreds of new jobs.



**Governor
Jennifer M.
Granholm**

Encouraging Economic & Urban Development

DLEG Director Hollister Tours Upper Peninsula Communities: Department of Labor & Economic Growth Director David C.

Hollister toured Upper Peninsula communities Jan. 14 – 16 in an effort to help facilitate future local economic growth and development. This was Hollister's first economic tour since DLEG officially opened for business on Dec. 8th. Gov. Granholm created DLEG to promote job creation and economic growth in Michigan by centralizing and streamlining the state's job, work-



DLEG Director Hollister (right) listens to community leaders at the Lake Superior Community Partnership Board Meeting.

force, and economic development functions under one department. The new department, which works in partnership with the Michigan Economic Development Corporation, is a one-stop shop for business creation and development. "The fact that this is the first regional tour since our department was created is indicative of Gov. Granholm's commitment to encouraging investment and creating jobs in Upper Peninsula communities. As the former mayor of the City of Lansing, I understand the importance of local, state, and federal collaboration to achieve these goals," Hollister said. The trip included Operation Action U.P. Annual Meeting and tours of K.I. Sawyer Air Force Base Area, Smart Zone (Power

House Facility) Tour, and Northern Hardwoods. Hollister met with public officials, business owners and community representatives in Houghton and Marquette, to discuss how the State of Michigan can help their communities and businesses grow. Many leaders expressed appreciation for the Granholm Administration's focus on UP communities.



DLEG Director Hollister is surrounded by students as he's interviewed by the media during his visit to Marquette's Bothwell Middle School. Hollister, a former teacher, spoke to 85 seventh-graders for their entrepreneurship development class.

Technology Tri-Corridor Sessions: Approximately 650 people attended nine Michigan Technology Tri-Corridor information sessions held by the MEDC in January. The sessions, held in locations throughout the state, helped potential applicants for funding understand the Tri-Corridor program and the application process. Each session featured a question and answer period in addition to the prepared presentations. Additional program information, including sector definitions, request for proposals, an application link and steering committee descriptions are currently available on the Tri-Corridor web site at <http://medc.michigan.org/ttc/>.

MEDC Takes Larger Brownfield Redevelopment Role: As a result of changes in Michigan's brownfield redevelopment program, the MEDC will now administer all brownfield Single Business Tax credits and tax increment financing. The change allows greater coordination of brownfield credits with other economic development efforts administered by the MEDC. Previously, the Michigan Department of Treasury processed brownfield SBT credit requests involving projects with under \$10 million in private investments on a first-come, first-served basis. In an effort to prioritize projects and approve those with the greatest community impact, the MEDC will now decide on all brownfield SBT applications through the Michigan Economic Growth Authority.

Brownfield Redevelopment Program Workshops: The MEDC and Michigan Department of Environmental Quality are jointly hosting four Brownfield Redevelopment Program Update workshops to provide information on Michigan's financial assistance and economic incentives to promote the redevelopment of brownfield properties in Michigan. The workshops were held in Northern Michigan University, Marquette and Radisson Plaza Hotel, Kalamazoo, but two more are planned at McGuire's Resort, Cadillac (Feb.3); and Lakes of Taylor Golf Course, Taylor (Feb. 5). The MDEQ will present information on current Brownfield grant and loan program changes, recent legislative actions to provide additional grant and loan funding, and the creation of a new revolving loan program. The MEDC will present information on single business tax credits, brownfield tax increment financing, brownfield redevelopment authority successes and other programs supporting the reuse of Michigan's brownfield properties. Those interested in attending can register online at <http://www.michigan.gov/deq>, Quick Links, DEQ Training and Workshops.

Monroe County Receives Telecommunications Study Grant: The MEDC is providing \$100,000 in Community Development Block Grant funding for Monroe County to support a regional telecommunications planning study. High-speed Internet access is becoming an increasingly important component of economic vitality for Michigan's communities. Monroe County is providing an additional \$33,500 to help fund the study, which will help the county assess demand, develop strategies and identify barriers to future telecommunications infrastructure development.

Michigan Companies Among Best Places To Work: Five Michigan companies are recognized on Fortune magazine's 2004 list of the 100 best places to work in the United States. The selection process included questionnaires about company policies, practices and philosophies, as well as anonymous surveys of more than 46,000 employees. Michigan companies and their rankings are as follows: **Republic Bancorp, Owosso (5th); Quicken Loans, Livonia (13th); Plante & Moran, Southfield (18th); Bronson Healthcare, Kalamazoo (21st); and Valassis, Livonia (68th)**

Creating Cool: The Economy of Arts and Culture

Report Looks at Economic Impact of Libraries: Did you know that five times more people visit U.S. public libraries each year than attend U.S. professional and college football, basketball, baseball and hockey games combined? If library patrons were to pay the average sporting game ticket price of approximately \$35 per visit, libraries would generate more than \$39 billion in annual revenues. Libraries hold 16 billion volumes worldwide - that's about 2.5 items for each person on earth. At an average price of \$45 per book, the worldwide library book inventory approaches nearly three-quarters of a trillion dollars. These facts and more can be found in "Libraries: How They Stack Up," the latest market research report from OCLC (Online Computer Library Center, Inc.). Available online at <http://www.oclc.org/index/compare/default.htm>, the report provides a snapshot of the economic impact of libraries, making some interesting comparisons between library economics and activities and other sectors, professions and destinations worldwide.

Historic Preservation Spurs Economic Development: In Michigan, historic preservation has been key to economic development. Rehabilitating historic buildings for new uses leverages private capital, creates jobs, revitalizes neighborhoods and business districts, and stimulates a wide range of other economic activities. Historic preservation tax incentives at the federal and state level attract developers who might otherwise invest in places other than Michigan's community cores. Since 1978, the federal rehabilitation tax credit has been utilized by 611 projects, for a total of \$807.6 million in qualified rehabilitation costs. The state tax credit, the first incentive available for the rehabilitation of owner-occupied dwellings, encourages people to live in and invest in historic neighborhoods. During the four years that the state rehabilitation tax credit has been available, 205 projects have benefited from the program for a total of \$8 million in qualified rehabilitation costs. Since 1971, rehabilitation activities have created 20,252 jobs and generated a total of \$1.7 billion in direct and indirect economic impacts. For 2004, it is estimated that \$48 million will be spent and 1200 jobs will be created through the rehabilitation of historic resources through federal tax credits, state tax credits, and lighthouse and certified local government grants. To learn more about historic preservation's ability to stimulate vigorous economic development, see *A Civic Gift: Historic Preservation, Community Reinvestment, and Smart Growth in Michigan*, a recent report by the Michigan Land Use Institute in cooperation with the State Historic Preservation Office (SHPO), at http://michigan.gov/documents/hal_mhc_shpo_Civic_Gift_75266_7.pdf. The report documents how entrepreneurs, investors, and insightful communities across Michigan are preserving historic assets and reaping greater economic activity and a higher quality of life.

Protecting Michigan Consumers

OFIS Begins Inquiry into Rising Home Insurance Rates: Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters launched the first phase of her investigation into rising home and auto rates in Michigan. Commissioner Watters issued a letter of inquiry to insurance companies writing home insurance policies in Michigan. A similar letter to insurance companies writing auto policies is forthcoming. The inquiry requires insurance companies to provide OFIS with rating information for the accident/calendar year 2001 and 2002. For the first time in more than 20 years, a careful examination of the rating information is taking place. The study will determine if the home and auto rates consumers are being charged are excessive as defined by law. Insurance companies have until February 17 to submit their data. A final report analyzing the data will be issued early this summer.

State Provides Tips for Safe Snow Sports at Ski Areas; Michigan is Progressive in Ski Area Safety: Michigan is once again living up to its name, "Winter Wonderland," so the Department of Labor & Economic Growth offered consumers some tips on keeping safe on the slopes this ski season. "With 49 ski areas, Michigan has the second most ski areas in the U.S. which reflects just how popular our state is with the nation's skiers, boarders and tubers," DLEG Director David C. Hollister said. "With the Michigan Snowsports Industry Association estimating that 2.3 million skiers hit Michigan slopes last year alone, it's no wonder we make ski safety a priority in this state and set out goals higher than recommended national standards." The DLEG Bureau of Commercial Services and its predecessors have worked with Michigan ski areas to promote safe snow sports since 1962... far longer than most states. A 7-member Ski Area Safety Board is appointed from the industry and public alike, and a team of professionals is maintained to issue permits to operate, and assure safe operation by inspecting ski areas and ski lifts. There are 308 active ski lifts inspected annually to state and national standards, both before and during operation. Michigan requires earlier and more frequent load testing than the national standard (lifts are loaded to simulate passengers, then their main and emergency drive systems, brakes and anti-rollback mechanisms are "dynamically tested"). Michigan law requires that mechanical failures and accidents involving ski lifts be reported – many of which are caused by horseplay and irresponsible behavior on the slopes. Hollister recommended that skiers should be particularly careful getting on or off chairlifts, which accounted for most of the 21 ski lift related injuries reported last season. The next most frequent injuries were caused by horseplay on tube tows. Common sense safety requirements are spelled out in signs on and around ski lifts and in the Skier/Snowboarder Responsibility Code. Safety recommendations from the Responsibility Code include:

- Always stay in control, and be able to stop or avoid other people or objects.
- People ahead of you have the right of way. It is your responsibility to avoid them.
- You must not stop where you obstruct a trail, or are not visible from above.
- Whenever starting downhill or merging into a trail, look uphill and yield to others.
- Always use devices to help prevent runaway equipment.
- Observe all posted signs and warnings. Keep off closed trails and out of closed areas.

For more information on Michigan ski area safety regulation, laws, rules and board, visit <http://www.michigan.gov/dleg> and click on Commercial Services or call (517) 241-9202.

OFIS Launches Comprehensive Financial Literacy Web Site: The Office of Financial and Insurance Services (OFIS) launched a comprehensive web site featuring a variety of financial literacy materials. The new "Financial Direction" web site can be accessed directly from the OFIS home page <http://www.michigan.gov/ofis>. A listing of the materials on the web site can also be obtained by calling OFIS toll-free at: 1-877-999-6442. "To make sound financial decisions consumers need access to reliable information," said OFIS Commissioner Linda A. Watters. "This consolidated site offers links to a wide range of resources along with tools designed to provide students with the fundamentals of financial literacy – before they make critical financial decisions." In addition to great resources like the OFIS produced "Mortgage Shopper's Resource Kit" the "Financial Direction" web site links consumers directly to comprehensive financial education resources including The Federal Reserve Bank of Dallas, Smart Money (Federal Deposit Insurance Corporation) and the Federal Trade Commission. More specific information is organized by topic and offers information ranging from predatory lending to links to professional trade organizations.

Cryonics Institute Now Licensed as Cemetery to Settle Dispute with State of Michigan: The DLEG Bureau of Commercial Services, and Cryonics Institute (CI) have settled their dispute by the licensure of CI as a cemetery under Michigan law. CI is a non-profit membership organization which "cryonically suspends," or freezes, patients immediately after clinical death, in the hope that they can be revived and rejuvenated when future technology is sufficiently advanced. DLEG had issued orders requiring that CI cease and desist from many of its activities pending licensure. Now that CI has been licensed, these cease and desist orders have been withdrawn. "We are pleased that CI can now become a licensed facility, permitting state oversight of its operations," said David C. Hollister, DLEG Director. "We believe that its licensure as a cemetery provides additional protections to the people of the State of Michigan." The agreement between DLEG and CI in most respects permits CI to continue operating as it has in the past, but subject to audits, inspections and financial reporting. CI will also segregate certain funds in an endowed care trust fund to cover maintenance expenses. Additionally, CI has agreed that certain initial steps of the cryonic suspension process within the State of Michigan will only occur at licensed funeral establishments, conducted by licensed morticians. Such activities have in the past been conducted by licensed morticians at CI's facility. Patients will still be stored at CI's facility in liquid nitrogen. The DLEG Bureau of Commercial Services licenses and regulates the practices of mortuary science, funeral establishments and cemeteries in Michigan. The Cryonics Institute is a nonprofit, membership organization based in Clinton Township, Michigan. CI has cryonically suspended 50 patients, and has more than 400 members.

OFIS Commissioner Names Ross as Chief of Staff: Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters named Ken Ross as her chief of staff. Ross' primary responsibilities will include working with OFIS staff, a variety of external stakeholders and administration officials to ensure the execution of the Commissioner's agenda; ensuring the efficient day to day management of agency operations; and overseeing the management of OFIS media, public relations and legislative operations. Most recently Ross served as the Vice President of Regulatory and Legal Affairs for the Michigan Credit Union League. Prior to that he served as an Assistant Attorney General under Attorneys General Frank Kelley and Jennifer Granholm. He also served as Chief of Staff for State Representative Agnes M. Dobronski. Ross earned a J.D., cum laude, from Thomas M. Cooley Law School and a Bachelors degree from the University of Michigan-Dearborn.



Ken Ross

OFIS Releases "Top 10" Investment Scams, Schemes and Scandals: The Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters forecast that investors will be challenged with increasingly complex and confusing investment frauds and identified the Top 10 schemes investors are likely to see in 2004. New to this year's list are mutual fund practices, senior investment fraud, and variable annuities. "Investors face a complex maze of scams, schemes and scandals," said Watters. "Our fight against fraud never stops because each year con artists discover new ways to fleece the public. Sadly, many of the age-old scams still work to cheat victims of their hard-earned savings as well. It pays to remember that if an investment opportunity sounds too good to be true, it usually is." Information about the role OFIS plays in protecting investors in Michigan is available on the OFIS web site at: <http://www.michigan.gov/ofis> -- click on the "Financial Direction" icon -- or by calling toll-free at 1-877-999-6442. "Investors lose billions of dollars annually to investment fraud," Watters said. She cautioned that investors must remain vigilant in the fight against investment fraud, especially in the current environment of significant budget cuts at the state and federal levels. "All securities regulators, whether local, state, or federal, share the common goal of protecting investors," added Watters. "I urge legislators to help us continue to do our jobs by ensuring that regulators have sufficient resources to protect our citizens." Watters, a member of NASAA, also announced a new interactive Fraud Center on the NASAA web site (<http://www.nasaa.org>). The center features details of the Top 10 scams, schemes and scandals; tips on how to detect con artists and avoid becoming a victim; an Investor "Bill of Rights;" instructions on how to file an investment-related complaint; and contact information for each state securities regulator. The following ranking of scams, schemes and scandals for 2004 is based on a survey of state securities regulators conducted by the North American Securities Administrators Association. The list is based on the order of prevalence and seriousness as identified by state securities regulators: **1) Ponzi Schemes, 2) Senior Investment Fraud, 3) Promissory Notes, 4) Unscrupulous Broker/Dealer Representatives, 5) Affinity Fraud, 6) Insurance Agent Securities Fraud, 7) Prime Bank/High-Yield Investment Schemes, 8) Internet Fraud, 9) Mutual Fund Business Practices, 10) Variable Annuities.**

Providing Energy Assistance for Low-Income Michiganders

MPSC Approves New Low-Income Credit for Detroit Edison Customers: The Michigan Public Service Commission (MPSC) ordered the Detroit Edison Company (Detroit Edison) on Jan. 15 to implement a low-income energy assistance credit for residential electric customers, finding that it is in the public interest. The credit, which will be funded through use of excess securitization savings, is temporary but is expected to continue through the end of the current heating season. The action by the MPSC will provide additional financial assistance to low-income customers at a time when it is much needed. MPSC Chair J. Peter Lark said, "Hundreds of thousands of low-income people will now be able to see meaningful reductions in their electric bills." Detroit Edison on Oct. 20, 2003 filed an application seeking authority to implement a low-income energy assistance credit amounting to \$0.026 per kilowatt-hour (kWh) for all of its electric customers who meet the low-income eligibility requirement currently used by the Commission for the Winter Protection Plan. The order grants, in part, Detroit Edison's application. Based on a review of its statutory obligations, the Commission authorized Edison to implement a low-income assistance credit of \$0.01 per kilowatt hour. Detroit Edison says that customers who have a recent low-income profile who are taking service under a qualified rate will be automatically enrolled in the program. Other customers may submit proof that they meet the eligibility requirements for the Commission's Winter Protection Plan (150% of poverty level or a recipient of federal and state assistance programs). In addition, social services agencies may refer customers to Detroit Edison for inclusion in the program. The utility anticipates that some 300,000 eligible customers will sign up for the program.

Making Housing & Homeownership More Affordable

MSHDA Announces Loan for Affordable Elderly Housing in Detroit: The Michigan State Housing Development Authority (MSHDA) announced that a 472-unit elderly rental development will be rehabilitated in Detroit with the help of a mortgage loan of up to \$16,500,000. River Towers will be located on Jefferson Avenue in the city of Detroit. The renovation will include the installation of new elevators, boilers and windows. There will be new and improved lighting and new carpet in the common areas. Kitchen cabinets, air conditioning, kitchen appliances, and carpeting and tile will be replaced in the individual units on an as-needed basis. All of the units will be targeted to households with incomes at or below 60 percent of area median income. The investment will create nearly 242 full-time year-long jobs in construction and related trades. MSHDA financed the loan under its Limited Obligation Mortgage Revenue Bonds "Pass Through Program," which offers low interest loans to for profit or nonprofit developers for new construction or rehabilitation of rental developments.

MSHDA Announces Loans for Affordable Family Housing in Benton Harbor & Saginaw: The Michigan State Housing Development Authority (MSHDA) approved over \$15.2 million in loans for the construction of two family rental housing developments in Benton Harbor and over \$24.6 million in loans for the construction of two family rental housing developments in Saginaw. The projects are being submitted to the U.S. Department of Housing and Urban Development (HUD) for HOPE VI funding, which will provide replacement housing for HUD Public Housing developments in the two communities. The HOPE VI Program was developed as a result of recommendations by the National Commission on Severely Distressed Public Housing, which was charged with proposing a National Action Plan to eradicate severely distressed public housing.

Benton Harbor: Sponsored by the Benton Harbor Housing Commission and Cornerstone Alliance, Benton Harbor HOPE VI Phase II will be located on scattered sites adjacent to the former Whitfield I public housing site and will have 70 family units. All of the units will be targeted to households with incomes at or below 60 percent of area median income. In addition, 28 units will be targeted to households with incomes at or below 50 percent of area median. Benton Harbor HOPE VI Phase IV, consisting of 50 family units, will be located on the former Whitfield I site. All 50 units will be targeted to households with incomes at or below 60 percent of area median income. In addition, 20 units will be targeted to households with incomes at or below 50 percent of area median.

Saginaw: Sponsored by the Saginaw Housing Commission, Northeast Saginaw Community Homes, the Saginaw project will be located on the former Town and Garden public housing site in northeast Saginaw and will have 110 family units. All of the units will be rent-restricted: 18 units will be targeted to households with incomes at or below 50 percent of area median, and 42 units will be occupied by households with incomes below 30 percent of area median. The remaining units will be targeted to households with incomes at or below 60 percent of area median. Unity Park Community Homes, consisting of 156 family units, will be located on the former Daniel's Heights site in northeast Saginaw. All of the units will be rent-restricted: 56 units will be targeted to households with incomes at or below 50 percent of area median, and 44 units will be occupied by households with incomes below 30 percent of area median. The remaining units will be targeted to households with incomes at or below 60 percent of area median.

Cutting Through Red Tape for Michigan Businesses & Workers

Program Lets Michigan Employers File Jobless Claims For Their Workers: In 2003, the State of Michigan accepted nearly 160,000 unemployment claims from workers with five of Michigan's largest employers. In a twist, however, the claims were not filed by the workers but by their employers. DaimlerChrysler (DCX), Ford Motor Company, General Motors, Delphi and Visteon have partnered with the United Auto Workers and the State of Michigan in a new program that allows these employers to file unemployment claims on behalf of their hourly workers during plant shutdowns or other large-scale layoffs. With the partnership, the five companies electronically file unemployment claims with the state's Unemployment Insurance Agency (UIA) for their laid-off employees. "From December 2002 through this past November – the program's first full year, we processed 158,423 new and reopened unemployment claims from these five large employers through our EFC program," DLEG Deputy Director David Plawecki said. "The process is a major convenience to the workers and greatly reduces the workload for the UIA's telephone and Internet claims taking processes." With the employer filed claims program, the participating employer submits an electronic file to UIA listing those laid off during the shutdown or layoff. The agency processes the information and sets up new or additional claims for the workers. The agency then sends notices to the affected workers, telling them of their eligibility for benefits. The laid-off workers are still required to phone the agency's interactive voice response system – called MARVIN – once every other week to certify that they are out of work and meet the unemployment program's eligibility requirements before jobless checks can be issued. UIA is working to expand its employer filed claim process to other large Michigan employers. In fact, recent changes to the agency's administrative rules require larger employers with a history of mass layoffs to file unemployment claims on behalf of their employees. Ultimately, the agency expects that from 20 to 25 percent of its unemployment claims will be filed through the EFC program. The EFC program recently received an information technology award from the National Association of State Chief Information Officers (NASCIO). The program earned the award for Outstanding Achievement in the Field of Information Technology in the category of Digital Government - Government to Business.

Unemployment Insurance Employees Rescue "Happy Holidays" for Jobless Workers: With only a few days left before Christmas, the Grinch was nearly successful in stealing the holiday spirit from several hundred jobless Michigan workers. But Unemployment Insurance Agency (UIA) staff were quick to save the day, only hours after finding out that unemployed workers' benefit checks were being mistakenly placed on hold by the bank due to "insufficient funds." Staff swung into action. UIA call center staff began identifying callers with the check-cashing problem. The Trust Fund Accounting Unit, which monitors the funds used to pay jobless benefits, quickly narrowed the problem to those with accounts at Charter One Bank. The Unit's staff - Bill Bryan and Chester Dzbanski, along with Emilia Austria, Clementine Jones, Juanita Lim and Denese Moore, continued to answer calls while Bill Bryan and Jackie Steed, director of UIA's Office of Trust Fund, Tax & Employer Compliance, called Charter One and spoke with staff at the bank's regional and corporate offices. By 11:00 a.m. the bank was notifying its local retail branches throughout Michigan to cash the state's unemployment checks and assigned 25 of its customer service staff to immediately credit customer accounts. UIA Executive Office secretaries -- Sharon Bryant, Hazel Chew, Martha Moore, Suzanne Robertson and Sonja Graham -- began notifying all of the customers who had initially called the agency, to return to the bank and cash their unemployment checks. Some 2,000 unemployment checks were caught up in the problem, affecting 900 unemployed workers in the state, when a torn unemployment check prevented a code from being read. The one check led to the misinterpretation of information between Charter One Bank and Bank One, and the rejection of all unemployment checks cashed by Charter One. Once the problem was identified, Charter One gave everyone access to their accounts and waived the fees created by the problem. The quick response by UIA staff put the green back into Christmas for many unemployed workers who were starting to see red.

Michigan's Unemployment Insurance Program On Call To Help Employers: Help is only a phone call away for employers with questions about Michigan's unemployment insurance (UI) program. The state's Unemployment Insurance Agency (UIA) has re-established its Employer Customer Relations (ECR) unit under a special toll-free telephone line (1-800-638-3994) for employers to call. "Our ECR team is ready to help employers with any questions they may have about the state's unemployment insurance program," David Plawecki, a deputy director with the Department of Labor & Economic Growth, said. Employers can call the unit weekdays between 8:00 a.m. and 5:00 p.m. The unit answers employers' questions about unemployment benefits, protests and appeals of agency decisions, employer UI tax accounts and other general tax-related questions. The unit also sends requested UI forms and brochures to employers and refers callers to other Michigan departments and agencies when appropriate. "Our customer relations team offers one-on-one assistance to employers and tries to answer their questions and resolve problems when possible," Plawecki explained. "Team members will also refer employers to appropriate areas within the agency for further assistance, if required." Employers can also reach the agency's Tax Office through the toll-free telephone number. The Employer Customer Relations unit was disbanded in late 2002 under the last administration, but employer demand for the unit led to its re-establishment.

All Federal and State Unemployment Extensions End: All new claims for the five programs that provide unemployment benefits beyond the 26-week state program have ended. The federal Temporary Extended Unemployment Compensation (TEUC) and the second tier of these federal benefits (TEUC-X) stopped taking new claims in late December, as did two federal programs for workers in the airline and related industries (TEUC-A and TEUC-AX). The shared cost state-federal Extended Benefit (EB) program stopped taking new claims with the week ending January 17, 2004. The last eligible group to qualify for any of the four federal programs was workers who claimed their first week of the federal benefits by the week ending December 27, 2003. These workers will generally be able to draw out the balance of their claims up to 13 benefit weeks. TEUC and TEUC-X benefit payments can be drawn until the week ending April 3, 2004. Those in the TEUC-A and TEUC-AX have until January 1, 2005, to collect their benefits. All EB payments conclude with payments for the week ending January 17, 2004.

Major Reorganization Took Effect Dec. 7th; Appointees and Budgets Reduced: Governor Granholm's Executive Order establishing the new Department of Labor & Economic Growth (DLEG) took effect on December 7. As part of the order, the former Bureau of Workers & Unemployment Compensation was dissolved and three new entities took its place: the Unemployment Insurance Agency, the Workers Compensation Agency and the Office of Wage & Hour. A new Workers' Compensation Appellate Commission was established and the number of gubernatorial appointees was reduced from seven to five with prorata budget and support staff reductions. The number of Workers' Compensation magistrates - gubernatorial appointees - was reduced from 30 to 26 with budget reductions.

Qualifications Advisory Committee (QAC) Established: The governor's Executive Order also created a new and expanded Workers' Compensation Qualifications Advisory Committee (QAC). Among its duties, the QAC established a deadline of January 9th, as the final date by which applicants can submit their resumes for positions on the new Workers' Compensation Appellate Commission. The committee will also meet in 2004 to discuss and establish work performance criteria for magistrates and appellate commission members. The QAC will also review and evaluate the work performance of each magistrate and commissioner. Its recommendations go to the governor. The QAC will also be a sounding board for the administration on key issues involving the workers' compensation contested claims process. The new QAC members are evenly divided between those representing labor and employers. Members representing worker interests are Joseph Cox, Regina Meo, David Radtke, Marya Sieminski and Edward Welch. Employer interests are represented by Libby Child, Jeff Stuckey, James Timmer, Cynthia Westerhof and Jack Wheatley. Welch chairs the committee. Members are unpaid and serve a four-year term.

Providing Career Development Resources

Michigan Broadband Development Authority Volunteers for Junior Achievement: Volunteers from the Michigan Broadband Development Authority and its technical consultant, Mercator Partners, have joined forces with Junior Achievement of Mid Michigan to present an exciting new internet-based business simulation program at Ovid/Elsie High School. Chris LaGrand of the Michigan Broadband Development Authority and Ben Goodman, Moe Kelley and Tiffany Wu of Mercator Partners, have volunteered to teach business and economic principals to the business students of Ovid/Elsie High School. One of the programs presented to the students is the JA Titan Program. JA Titan provides students with a unique, fun and exciting opportunity to learn about business and economics. Through on-line simulations, students are able to learn the basic economic parameters of operating a manufacturing company. The students are able to make decisions about the following: how much to charge for their product; how many products to produce; how much money to spend on improving and enhancing the product; how much to spend on advertising and how much to invest in capital improvements. Chris LaGrand, a former high school Junior Achievement student stated, "this is truly an eye-opening experience to watch students actively engaged in this simulation, as they make decisions that could either increase their net profit by \$10,000 or go bankrupt. In addition, the energy in the room is simply awesome." Ovid/Elsie teachers Mike Shimek and Bonnie Ott shared that "not only do students enjoy the experience, but having outstanding successful volunteers in the classroom makes a big difference." James Butler, III, vice president of the Michigan Broadband Development Authority, serves on the board of Junior Achievement in Lansing and helped to broker this outstanding partnership. Junior Achievement is a worldwide organization founded in 1919 that is dedicated to educating and inspiring young people to understand business, economics and the free enterprise system. Over 225,000 K-12 students throughout Michigan participate in the program each year. Community volunteers present all programs in area classrooms. If you are interested in volunteering to present JA programs in Titan, Personal Finance, and JA Company Program, you may contact Susan Stuart, JA program manager at 517-371-5437.

Michigan Rehabilitation Services and Little River Band of Ottawa Indians Sign Cash Match Agreement: The Northern Michigan District of Michigan Rehabilitation Services (MRS) and the Little River Band of Ottawa Indians have signed a \$12,000 cash match agreement for FY 2004. It is the second cash match, resource-sharing agreement between an Indian tribe and a state-federal vocational rehabilitation (VR) program in the country. The Little River Band has committed to contribute tribal funds from non-federal sources to MRS. These funds will be used to match federal VR dollars in order to initiate a cooperative VR project serving tribal members in northwestern and western Michigan. John Porter, site manager of the MRS Traverse City office, says the tribe agreed to the cash match proposal "to formalize the cooperative relationship that MRS job placement specialist Phyllis Stott has made possible by her fine work."

Workforce Transition Section (WTS) Assists Employers and Displaced Workers: The Workforce Transition Section (WTS) responded to 32 notices of planned plant closures or mass layoffs in the last month. Contact was made with employers and union representatives in response to receipt of a Worker Adjustment and Retraining Notification (WARN) notice, letter, phone call, newspaper article, or other means of notification. A brief overview of available dislocated worker services was given, and depending on the number of jobs impacted, a formal on-site Rapid Response Team Meeting was scheduled or arrangements were made for the local Michigan Works! Agency to meet with the affected employees to provide information on available services. Other services provided:

- Conducted five Rapid Response Meetings with employers (and union representatives, where employees are represented by a collective bargaining agreement).

- Responded to 44 phone calls and 10 e-mails from individuals, company/union representatives, and service providers who requested information or clarification of issues related to the Worker Adjustment and Retraining Notification (WARN) Act and dislocated worker services.

- Attended six worker orientation sessions and three Joint Adjustment Committee meetings (JAC). Joint Adjustment Committees are established to provide a more proactive, participatory response to large plant closings or mass layoffs.

Michigan Rehabilitation Services (MRS) Assists Michiganians with Disabilities into Jobs: A total of 548 Michigan residents with disabilities were assisted into jobs during December 2003 by Michigan Rehabilitation Services (MRS). MRS operates a network of 36 field offices staffed by master-degree level rehabilitation counselors who work one-on-one with job-seekers with disabilities. Services can include job training, prostheses and other medical assistance, job-seeking skills training, deaf interpreter services, and job placement.

Michigan Rehabilitation Services (MRS) Works with Employers: MRS works closely with Michigan businesses not only to help employers find qualified workers matched to their job openings, but also to assist employers with disability-related workplace issues, such as ergonomic assessments, tax credits and deductions, and information on the Americans with Disabilities Act (ADA). In December 2003, MRS staff provided services to 129 Michigan employers.

Office of Adult Education Sponsors Professional Development Activities: The Office of Adult Education sponsored several professional development activities in December. The first was "Teaching ESL Students with Learning Disabilities," and "Success in Reading." The sessions were held in Gaylord, Grand Rapids, and Dearborn. The sessions were well attended by Adult English as a Second Language instructors. Many of the teachers commented on the expertise of the presenters and the useful ideas they can put to immediate use in their classrooms.

Protecting Worker Safety & Health

MIOSHA Cites Lawrence M. Clarke, Inc. for Willful and Serious Trenching Violations and Proposes \$289,600 in Penalties: The Michigan Occupational Safety and Health Administration (MIOSHA) cited Lawrence M. Clarke, Inc., of Belleville on Jan. 12 with \$289,600 in proposed penalties for allegedly failing to adequately protect employees from trenching and excavation hazards. From October 13-16, 2003, MIOSHA conducted an inspection of a subdivision water/sewer project being constructed by Lawrence M. Clarke, Inc., in Carleton. Conditions found during the inspection were very serious. Excavation protection is essential, since the sides of a trench can collapse with great force and without warning, burying workers beneath tons of soil before they have a chance to react or escape. "This employer has a history of placing its workers in harm's way," said DLEG Director Hollister. "We will not hesitate to take action to protect Michigan's workers. The \$289,600 penalty should send a strong message that this type of disregard for worker safety will not be tolerated." On October 13, 2003, six employees of Lawrence M. Clarke, Inc. were in the process of installing a 24-inch water line system along Grafton Road in Carleton. The October 13th inspection revealed very dangerous excavation conditions, similar to those that were documented at previous planned inspections at their worksites in September 2003, August 2002, January and June 2000, November 1999, and four other inspections dating as far back as February 1991. They have had two fatalities at their worksites, and have been cited numerous times for unsafe excavations, including six willful violations.